

THE MANAGEMENT AND BUDGET ACT (EXCERPT)
Act 431 of 1984

18.1461 Audit of federal grants awarded to state; funding for audit; single audits; encumbering amounts to finance cost of audits; carrying over unexpended amounts; submitting schedule of federal financial assistance; “public law 104-156” defined.

Sec. 461. (1) As required by federal law, all federal grants awarded to the state shall be audited by the auditor general, an independent accounting firm selected by the auditor general, or an auditor approved by the appropriate federal agency. The funding for each audit shall be from the respective federal grants audited.

(2) Each audit performed pursuant to Public Law 104-156 shall be conducted by an independent auditor in accordance with generally accepted government auditing standards. Single audits for this state shall be conducted in accordance with Public Law 104-156 by the auditor general, an independent accounting firm selected by the auditor general, or an independent auditor approved by the appropriate federal agency. For fiscal years beginning October 1, 1985 and thereafter, biennial audits of state departments and agencies shall be performed for purposes of complying with the requirements of Public Law 104-156 pertaining to audit evaluation of the internal controls of this state and the state's compliance with material features of laws and regulations related to major federal assistance programs.

(3) The funding for single audits shall be from the respective federal grants audited, in accordance with Public Law 104-156. The chief executive officer of each principal department shall ensure that sufficient amounts are encumbered from the appropriate federal grants to finance the cost of the audits. Any unexpended amounts of encumbered funds may be carried over into succeeding years to cover the cost of the single audits.

(4) Before February 1 of each year, the director of each principal department shall submit to the director, fiscal agencies and the auditor general a schedule of federal financial assistance for the last completed fiscal year in a form approved by the auditor general.

(5) As used in this section, “Public Law 104-156” means chapter 75 of title 31 of the United States Code, 31 U.S.C. 7501 to 7507.

History: 1984, Act 431, Eff. Mar. 29, 1985;—Am. 1986, Act 251, Imd. Eff. Dec. 4, 1986;—Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999.

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